

Health Care Costs and Access

Bagels & Briefing Presentation
to the Utah Legislature
July 18, 2007

Office of Legislative Research and General Counsel

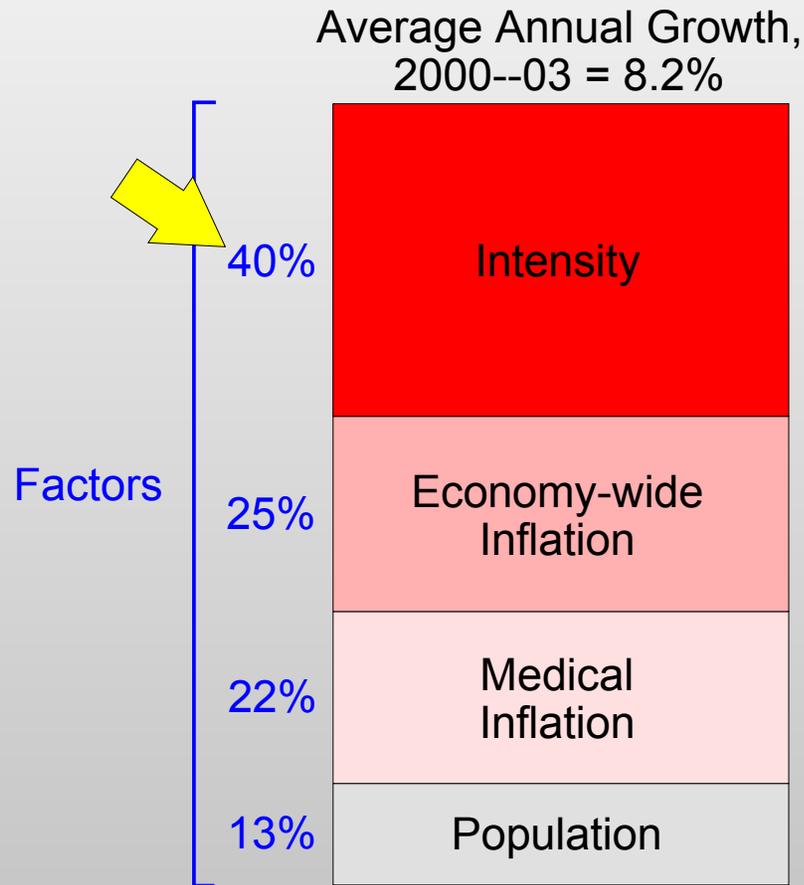
Growth in Health Care Spending

Average Annual Rates of Growth, 1980--2004	
U.S. Health Expenditures	8.6%
UT Health Expenditures	9.7%
U.S. Medicaid	10.5%
UT Medicaid	12.0%



Factors Affecting Growth in Personal Health Care Expenditures

(U.S., 2000-2003)



Expanding Coverage

Utah's Uninsured Rate: 11.9%

State Policy Developments

#1 Consumerism Reforms

Allowing consumers to have greater choices over health care and experience the economic consequences of those choices

#2 Access to Private Coverage

Improving access to private coverage with a primary focus on promoting the use of employer-sponsored health benefit plans

#3 Expansion of Public Coverage

But, there are two constraints:

- ERISA
(Employee Retirement Income Security Act)
- HIPAA
(Health Insurance Portability and Accountability Act)

State Policy Developments

#1 Consumerism Reforms

Allowing consumers to have greater choices over health care and experience the economic consequences of those choices

- HSAs, HRAs, MSAs, FSAs
- Wellness Programs and Incentives
- Changing Health Care Provider Behavior
- Caveat: Need for Good Data

State Policy Developments

#2 Access to Private Coverage

Improving access to private coverage with a primary focus on promoting the use of employer-sponsored health benefit plans

- Risk Pool Reforms

To spread risk and cost

- Insurance Mandate Reforms

“Mandate Lite” coverage to reduce cost

- Employer Offering/Employee Purchasing

State subsidies, incentives, penalties, Section 125 plans, etc.

State Policy Developments

#3 Expansion of Public Coverage

- **CHIP**
Fund additional slots for the Children's Health Program
- **PCN**
Fund additional slots for the Primary Care Network (a Medicaid program)
- **UPP**
Fund additional slots or increase subsidy for the Utah's Premium Partnership for Health Insurance (a Medicaid program)
- **HIPUtah**
Fund additional slots for the Utah Comprehensive Health Insurance Pool
- **Medicaid**
Fund additional slots or services